

**SUMMARY OF MAJOR CHANGES TO
DOD 7000.14-R, VOLUME 6A, CHAPTER 13, APPENDIX B
DFAS-CL (NAVY) AND DFAS-KC (MARINE CORPS)
INTERNATIONAL BALANCE OF PAYMENTS REPORTS**

New and revised instructions are indicated by a ★ placed immediately before the new or revised section, paragraph, subparagraph, etc.

Page	Paragraph	Explanation of Change/Revision	Purpose
13-B-8	C.2.d(4)	Paragraph numbering corrected from C.2.d.4 to C.2.d.(4).	Correct error in published appendix
13-B-8	C.2.d(4)	Title changed to: "Identification Procedures in the Defense Federal Acquisition Regulation Supplement (DFARS)." Previous paragraph C.2.d.4 has been deleted and the following substitute paragraph C.2.d.(4) has been added: "Reporting requirements and procedures for contracts exceeding the simplified acquisition threshold are set forth in DFARS 225.305-70 and the clause at 252.225-7005."	Clarify FAR/DFARS language by reference to applicable FAR/DFARS section and clause rather than repeating the FAR/DFARS clause

APPENDIX B
DFAS-CL (NAVY) and DFAS-KC (MARINE CORPS)
International Balance of Payments (IBOP) REPORTS

A. General

1. Overview. The Department of the Navy and the United States (U.S.) Marine Corps are required to submit reports of expenditures and receipts that affect the U.S. IBOP. The IBOP codes prescribed in this appendix provide the identifying basis for accumulating the required data. They consist of a country code, an expenditure category code (object class code), and a collection source code. The DFAS-Cleveland Center (DFAS-CL) and DFAS-Kansas City Center (DFAS-KC) shall consolidate the reports from Navy and Marine Corps activities and submit them to Department of Commerce by the 45th calendar day following the end of the quarter for the regular quarterly reports and on the 110th day following the end of the quarter for the supplemental quarterly reports.

2. Applicability

a. General. The content of this Appendix is applicable to all Navy and Marine Corps activities responsible for the identification and application of country, expenditure category code, and collection source codes on documents which involve the requisitioning and procurement of material, services, and construction, as well as those involved in disbursing, collection, and accounting functions.

b. Contracting Office. The contracting office is responsible for ensuring that authorizations, such as purchase orders, delivery orders, and contracts resulting in expenditures entering the IBOP, are coded properly at the time of preparation. The same IBOP codes shall be recorded subsequently on the payment voucher unless a change or correction is required by the disbursing officer (DO). The contracting office shall identify the procurement from foreign sources of U.S. manufactured end products, services and transportation in accordance with the Expenditure Category Codes found in paragraph C of this appendix.

c. Disbursing Office. The DO is responsible for establishing liaison with the supported procurement offices. He or she shall review all documents for accurate and complete IBOP coding and, as necessary, correct erroneous codes and record those omitted, notifying the office responsible for the error or omission to preclude a recurrence. The DO is responsible for entering IBOP codes, as required herein, for all other types of payments and collections (e.g., military payrolls or travel).

d. DFAS Operating Locations (OPLOCs) and Authorization Accounting Activities (AAAs). The OPLOCs and AAAs shall correct errors in IBOP coding whenever such errors are evident during the processing of IBOP transaction vouchers. The appropriate DO shall be notified of the error or omission to preclude a recurrence.

B. Country Codes (See Table 13-9)

1. General. A 2-character code, assigned to each country, possession or protectorate, applies uniformly to transactions affecting the IBOP that pertain to appropriations of all DoD Components and the U.S. Coast Guard. The applicable 2-character country codes contained in Table 13-9 of this chapter shall be shown on all procurement, disbursement, and collection documents having IBOP implications. In all instances where a foreign country code is recorded on a voucher, an applicable 3-digit expenditure category code for payments or a 2-digit source code for collections also shall be recorded. These latter codes are delineated and described in the sections titled Expenditure Category Codes and Collection Source Codes of this appendix.

2. Use of IBOP Codesa. Payments

(1) Vouchers. All vouchers, including Labor Roll/Material Charges and Credits (Navy Comptroller (NAVCOMPT) Form 2051) or Payroll for Personal Services Payroll Certification and Summary (Standard Form (SF) 1128) (short form) for labor, paid by afloat DOs and those DOs not located in the United States, shall be coded to identify the country or countries of residence of the payee or remitter of the payment. Vouchers paid by DOs located in the United States shall be coded only when the transaction affects the U.S. IBOP; that is, when a country code other than the code for the United States is applicable. The country code shall be entered on the voucher on the same line and to the left of the caption "Accounting Classification" when only one country code is applicable. If more than one country code is applicable, the codes shall be entered to the left of the appropriations cited on the voucher. When a preprinted caption is provided for country codes, the code shall be inserted in the space provided.

(2) Country Codes. The country code shall be entered on the NAVCOMPT Form 2051 to the left of the caption "Recapitulation by Object Classification." Generally, the country code to be entered shall be that of the country of residence of an individual payee or that of the international organization or foreign government involved. Business enterprises shall be identified to the country where incorporated but a subsidiary or branch shall be identified to the country in which the foreign headquarters of the subsidiary or branch is located. Country codes are selected in accordance with the following general rules.

(a) Retirement and Health Benefits. Vouchers for U.S. Government contributions applicable to the pay of U.S. civilians (e.g., Federal Insurance Contributions Act (FICA), retirement, and health benefits) shall be identified to the United States.

(b) Accruals and Allowances. Vouchers for U.S. Government contributions (e.g., retirement, accruals and separation allowances) shall be identified, at the time of payment, to the country to which addressed.

(c) Credit. Payments made to financial institutions for the credit of an individual or business enterprise shall be coded to identify the country of residence of the individual or business enterprise rather than the financial institution.

(d) Construction. Payments for construction or service performed abroad shall be identified to the country in which the construction or service is performed regardless of the country to which the check was mailed.

(e) Materials, Supplies, or Equipment. Payments made to U.S. companies for materials, supplies, or equipment to which title (ownership) is acquired by the Navy abroad shall be identified to the country where title is acquired.

(f) Contractors. Payments made either to a foreign or U.S. contractor for material or supplies produced abroad and delivered free on board (FOB) to the United States shall be identified to the United States.

(g) Travel Vouchers. Temporary additional duty travel vouchers, including travel advance vouchers, shall be coded to the country in which the temporary additional duty station is located when only one duty station is involved or the country in which the greater part of the per diem was or will be earned when more than one country is involved. Vouchers for permanent duty travel (PDT) shall be coded to the country in which the greater part of the allowances was earned or expenses incurred except that dislocation allowances shall be coded to the country to which the individual's family moved.

(h) Military Payrolls. Military payrolls for personnel afloat, assigned to a ship homeported in a foreign country, shall be coded to the country in which the ship is homeported. All other payrolls for personnel afloat, except when on leave or on temporary duty (TDY) and payment is made ashore, shall be coded to the U.S. Military payrolls paid ashore outside the United States. Payments for personnel afloat who are on leave or TDY shall be coded to the country in which the personnel are located at the time of payment. Military payrolls for personnel on permanent duty ashore shall be coded to the country where duty is performed.

(i) Military Sealift Command (MSC) Command Payroll. MSC payrolls for U.S. civilian employees assigned to a ship shall be coded to the U.S. Military Sealift Command payrolls for foreign nationals assigned to a ship shall be coded, for regular pay, to the country of the employee's residence. For special payments en route, the payrolls shall be coded to the country in which the port of call payment is made.

(j) Disbursement and/or Collection. Payments on a Voucher for Disbursement and/or Collection (NAVCOMPT Form 2277) shall be coded "US" except that payments to the Commodity Credit Corporation as a result of "supplier-type barter arrangements" shall be coded in the same manner as if the payment were made to the defense supplier or contractor.

(k) Navy, Army, or Air Force. Payments to the Military Exchange Services or other U.S. Government instrumentalities shall be coded to the United States.

(l) Transportation. Payments for transportation of persons and things (e.g., travel requests, bills of lading, warrants or cash) paid to a transportation company shall be coded to the country of residence of the transportation company. Payments made to a transportation company in local foreign currency shall be coded to that currency country, e.g., payment to a U.S flag carrier in Moroccan dirhams shall be coded MO (Morocco).

(m) Payments. Payments charged to 17-11X8242, Advances, Foreign Military Sales, Executive (Transfers to Navy), shall be identified to the United States.

(n) Payments Charged. Payments charged to Suspense, Navy or 17F3875, Budget Clearing Account (Suspense), Navy, shall be identified to the United States, except payments to a foreign country for United States contributions.

b. Collections

(1) General. All collection vouchers of afloat DOs and of other Navy and Marine Corps DOs not located in the United States shall be country coded. Collection vouchers of DOs located in a state of the United States shall be coded only when the transaction affects IBOP; that is, when a country code other than the code for the United States is applicable.

(2) Location of Code on Voucher. When only one country code is involved, the appropriate code shall be shown on the vouchers in the following locations:

(a) Accounting Classification. On the Voucher for Disbursement and/or Collection (NAVCOMPT Form 2277) to the left of the caption "Accounting Classification" for the billing office.

(b) Voucher Number. On the NAVCOMPT Form 2277, to the left of the first appropriation symbol in the "Voucher Number" column.

(c) Cash Collection Voucher. On the Cash Collection Voucher (DD Form 1131), to the left of the caption "Accounting Classification."

(d) Preprinted Caption. When a preprinted caption is provided for country code, the code shall be inserted in the space provided.

(e) Collection Documents. On all collection documents, other than in items 1 through 4, directly above the appropriation symbol.

(3) Different Country Codes. When more than one collection is reported on a single collection voucher and different country codes are applicable, the appropriate code for each collection shall be shown on the line above the appropriation symbol.

(4) Selection of Country Code. Country codes selected in accordance with the following rules:

(a) Refund Vouchers. Refund vouchers shall be coded with the same codes that were applicable to the related disbursement vouchers.

(b) Collection Vouchers. Collection vouchers covering other than refunds shall be coded to the country in which the remitters are located, except as stated in items (c) through (g), below.

(c) Agent of the Remitter. When collection vouchers cover receipts from an agent of the remitter, they shall be coded to the country in which the remitter is located, if known, rather than to the country in which the agent is located.

(d) Homeported Ships. Collections from personnel aboard a U.S. ship homeported in a foreign country shall be coded to the country in which the ship is homeported; collections from personnel aboard other U.S. ships shall be country coded to the United States.

(e) U.S. Country Code. When collections are from another U.S. Government agency, appropriation, or instrumentality, use the “US” country code.

(f) Payroll Deductions. That portion of payroll deductions applicable to U.S. civilian personnel of Army or Air Force credited to a deposit fund or 17F0101, Withheld Individual Income and Federal Insurance Contribution Act (FICA) Taxes, Navy, separately shall be identified on the Standard Form 1096, assigned collection source code 84, and country coded as a U.S. transaction.

(g) Suspense. An amount initially recorded in Suspense, Navy, or 17F3875 shall not be coded as entering the IBOP until transferred to an operating or receipt account (applicable to collection vouchers only).

(5) Ships’ Stores Receipts. Receipts from ships’ stores sales for ships homeported in a foreign country shall be coded to the country in which the ship is homeported. Receipts from ships’ stores sales for other ships deployed in foreign waters shall be reported in the monthly report of disbursements and collections as “code 8” transactions. Refer to DFAS-CL (NAVSOP) 1000.2M, Accounting Classifications Manual, Chapter 7, paragraph 027002.

C. Expenditure Category Codes

1. General. The application of a 3-digit expenditure category code on a voucher enables the recording, identifying and assigning the dollar amount(s) paid by the vouchers to the appropriate line of the Department of the Navy's IBOP report. These codes apply to transactions affecting disbursements and collections involving any appropriation, including all general funds,

revolving funds, deposit funds, special funds, trust funds, and general fund receipt accounts established by the Treasury Department for collection of miscellaneous receipts. They shall be used on all disbursement vouchers with a country code other than “US.” On documents coded “US,” the object codes prescribed in DFAS-CL (NAVSOP) 1000.2M, Accounting Classifications Manual, Chapter 6, shall be used.

2. Use of Expenditure Category Codes

a. Payments. The appropriate 3-digit expenditure category codes listed in subparagraph C.3. of this appendix shall be recorded in the “object class” block on the voucher for all of the following containing a country code other than “US”:

(1) Public Vouchers. Public vouchers affecting IBOP showing a charge to any Navy or Marine Corps appropriation, including the Navy Stock Fund, Marine Corps Stock Fund, Navy Industrial Fund, successor appropriations, and Military Assistance appropriations.

(2) Procurement Documents. Procurement documents, including requisitions, purchase orders, and inspection reports leading to public vouchers that affect the IBOP.

(3) Disbursement Vouchers. Disbursement vouchers affecting the IBOP, including the Military Pay Voucher (NAVCOMPT Form 3055), Labor Roll/Material Charges and Credits (NAVCOMPT Form 2051) or Payroll for Personal Services-Payroll Certification and Summary (NAVCOMPT Form 1128) (short form) for labor, and travel vouchers in the DD Form 1351 series.

b. Collections. The appropriate 3-digit expenditure category codes listed in subparagraph C.3. of this appendix shall be shown for all collections that are refunds of prior payments affecting IBOP (containing a country code other than “US”). Refund vouchers shall be coded with the same codes (country code, 3-digit expenditure category code, and other accounting data) that were applicable to the related disbursement vouchers. Expenditure category code identification is not required in connection with collections for other than refunds of prior payments. Navy Industrial Fund collections for products or services do not require expenditure category codes.

c. General Rules for Use of Expenditure Category Codes. Expenditure category codes shall be recorded in accordance with the following general rules:

(1) Foreign Country Codes. Whenever a foreign country code is applied to a payment voucher, a 3-digit expenditure category code shall be applied to the same voucher.

(2) “US” Country Code. Whenever a “US” country code is applied to a payment voucher, no 3-digit expenditure category code is required.

(3) Expenditure Category Codes. Expenditure category codes always are 3-digit codes and are delineated in subparagraph C.3. of this appendix; these are the only acceptable expenditure category codes.

d. Rules for Selection of “Returns to the U.S.” Codes

(1) General. Many of the expenditure codes in subparagraph C.3. of this appendix identify the U.S. end products, U.S. services, and U.S. transportation. Generally, these terms are referred to as “returns to the U.S.” as they have the effect of reducing the gross expenditures entering the IBOP by the amount identified as the cost of material, services, and transportation expended in the United States. Rules for the proper selection of these codes are prescribed in paragraphs C.2.d.(2) and C.2.d.(3) of this appendix.

(2) Procurement of Supplies, Materials, and Equipment. The amounts to be identified and reported as reductions to procurement expenditures are the amounts remitted by the supplier to the United States for this procurement of U.S. end products and the amounts paid by the supplier to a U.S. transportation company for transportation of goods on U.S. flag carriers. This rule applies regardless of whether the supplier is a U.S. or foreign resident.

(3) Construction and Service Contracts Performed Abroad

(a) U.S. Contractor. If the contractor is a U.S. concern, the amounts to be identified and reported as reductions are:

1 U.S. End Products. The amount of U.S. end products procured from the United States by the contractor for incorporation in the project when required by the terms of the contract or when procured voluntarily from the United States without contractual requirements.

2 Remitted to or Retained in the United States. The amount remitted to or retained in the United States by the contractor for services performed in the United States for profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses, including that portion of the salaries of contractor personnel which is remitted to or retained in the United States.

3 Transportation. The amount paid to U.S. transportation companies by the contractor for transportation provided on U.S. flag carriers.

(b) Foreign Contractor. If the contractor is a foreign concern, the amounts to be identified and reported as reductions are limited to:

1 End Products or Services Required. The amount of payments remitted by the contractor to the United States for U.S. end products or U.S. services required under the term of the contract.

2 U.S. Flag Carriers. The amount of payments to U.S. transportation companies for transportation furnished on U.S. flag carriers.

★ (4) Identification Procedures in the Defense Federal Acquisition Regulation Supplement (DFARS). Reporting requirements and procedures for contracts exceeding the simplified acquisition threshold are set forth in the DFARS 225.305-70 and the clause at 252.225-7005.

(5) Exclusions. The amounts reported as returns under subparagraph C.3, below, shall exclude payments by the contractor to a DoD Component for supplies or services such as utilities and telephone services.

3. List and Description of Expenditure Category Codes. See Figure 13-B-1.

D. Collection Source Codes

1. General. The application of a 2-digit collection source code on a collection voucher provides the means of recording, identifying, and assigning the dollar amount collected by the voucher to the appropriate line of the Department of the Navy report. Collection source codes shall be used to identify the source of a collection credited to Navy or Marine Corps appropriations, funds, or receipt accounts other than collections country-coded for the United States. The collection source code shall identify the type of cash receipt, except that in the case of payroll deductions credited to a deposit fund the code shall identify an appropriation from which the civilian payroll was paid. Collection source codes shall be applied in the “object class” block on the voucher in accordance with the following general rules:

a. Foreign Country Codes. When a DO applies a foreign country code to a collection voucher, he or she also shall apply a 2-digit IBOP collection source code thereto.

b. “US” Country Code. When a DO applies the country code “US” to a collection voucher, a 2-digit IBOP collection source code is not required.

c. IBOP Collection Source Codes. All IBOP collection source codes, consisting of two digits, are contained in subparagraph D.2. of this appendix.

d. Collections for Sales or Services. Collections for sales of materiel (e.g., Navy Stock Fund Accounts) or services to other U.S. military activities or U.S. agencies shall be coded “US” and do not require an IBOP collection source code; however, such collections received from other than the foregoing (e.g., U.S. or foreign corporations, United Service Organization, or the American National Red Cross) shall be identified to the country in which the collection is made and a collection source code is required.

e. Collections From Sales. Collections resulting from sales to U.S. and foreign national personnel (e.g., commissary store sales, sales of meals, or clothing) shall be country-coded and collection source-coded.

f. IBOP and Reimbursement Source Codes. When an IBOP collection source code and a reimbursement source code are required, the 1-digit reimbursement source code shall be preceded by the 2-digit IBOP collection source code.

2. List and Description of Collection Source Codes. See Figure 13-B-2.

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
PERSONNEL PAY, ALLOWANCES, AND OTHER COMPENSATION		
Military personnel	Use this code to identify basic pay, allowances (e.g., temporary lodging allowance, incentive awards, subsistence, quarters, clothing, or overseas station allowances) and other compensation (e.g., sea and foreign duty pay, incentive pay, hazardous duty pay, reenlistment pay, severance pay, pay for unused leave, or allotments made to foreign address) disbursed to Navy and Marine Corps military personnel stationed abroad and receiving their pay abroad. Travel payments including travel advances, per diem, dislocation, transportation expenses paid to traveler and other travel expenses, and mileage allowances are excluded from this expenditure category code (see codes 212 and 213); also excluded are allotments made to a U.S. address, U.S. Government contributions, taxes, and other deductions withheld from pay. Identify net pay under this code to the foreign country in which the individual is stationed, residing, or attached for duty. When an individual is on temporary duty abroad and elects to receive his pay abroad, pay shall be identified to the country in which payment is made or to which check is addressed. Pay for personnel afloat, when assigned to a ship homeported in a foreign country, shall be coded to the country in which the ship is homeported. Pay for all other U.S. personnel afloat shall be identified as U.S. payments and country coded "US" with no expenditure category code required.	110
U.S. civilian personnel	Use this code to identify pay and allowances (e.g., quarters, cost of living, incentive awards, temporary lodging allowance, clothing, or allotments mailed to foreign banks) and other compensation (e.g., differentials for service abroad, or hardship posts and additional pay for overtime, holiday, standby, and nightwork) disbursed to graded, ungraded, and all other types of U.S. civilian personnel stationed, employed or on TDY abroad and receiving their pay abroad. Travel payments, allotments mailed to the United States, and U.S. Government contributions are excluded from this expenditure category code. IBOP country and expenditure category code 111 shall be recorded on NAVCOMPT Form 2051 or NAVCOMPT Form 1128 (short form), whichever is applicable, for the gross pay and identified to the country in which the payees are employed. Amounts deducted from pay for retirement, taxes, and other deductions shall be reported on Voucher for Disbursement and/or Collection NAVCOMPT Form 2277 and identified to the country in which the payees are employed. The appropriate source code shall be applied to NAVCOMPT Form 2277, which shall identify the appropriation from which the payroll was paid.	111
Figure 13-B-1		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
PERSONNEL PAY, ALLOWANCES, AND OTHER COMPENSATION (CONT'D)		
Direct hire of foreign nationals	Use this code to identify pay, allowances (quarters, uniform, etc.) and all other compensation (e.g., overtime, holiday, nightwork, severance pay, or firefighters premium pay) paid for the personal services of direct hire foreign nationals. Include in this code all U.S. Government contributions and withholdings (e.g., retirement or health insurance) paid to foreign governments for the benefit of such personnel. In addition, code all travel payments and allowances made to direct hire foreign nationals with this expenditure category code. IBOP country and expenditure category code 114 shall be recorded on NAVCOMPT Form 2051 or NAVCOMPT Form 1128 (short form), whichever is applicable, for the gross pay and identified to the country in which the payees are employed. Amounts withheld from pay and reported on NAVCOMPT Form 2277, for credit to Suspense, Navy, shall be country-coded "US." Vouchers to foreign governments in payment of U.S. Government contributions, if any, paid from Suspense, Navy, or other appropriations shall be coded to the country to which the payment is mailed. Vouchers to foreign governments in payment of amounts withheld from foreign nationals pay shall be country-coded "US." For foreign nationals employed aboard a Military Sealift Command ship, identify pay to the country in which the individual maintains his or her "home of record." Identify all travel allowances and payments to the country in which the TDY was performed or, if more than one country was involved, to the country in which the greater part of the expenses and allowances was earned.	114
Indirect hire of foreign nationals	Use this code to identify pay, allowances, and all other compensation, including retirement accruals or separation allowances paid to a foreign government under contracts for indirect hire of foreign nationals. Include in this code all fees, U.S. Government contributions, and withholdings paid to foreign governments for the benefit of these personnel and all travel allowances and payments made under these contracts. Code all payments under contracts for indirect hire of foreign nationals to the country to which addressed.	480
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
TRAVEL OF PERSONNEL		
Travel payments to U.S. military and civilian personnel stationed abroad	Use these codes to identify all payments to U.S. military and civilian personnel for PCS and TDY travel and for temporary additional duty travel, including travel advances, per diem allowances, mileage allowances, dislocation allowances, transportation expenses paid to the individual, dependent's travel, shore patrol, and all other incidental travel expenses (e.g., baggage, bus, rail, telephone, and telegraph expenses) as authorized by travel regulations. Payments for PCS, including per diem and mileage allowances, shall be coded to the country in which the greater part of the allowances was earned or expenses incurred. This rule shall apply whether the payee is located aboard ship or at a shore activity. Dislocation allowances shall be coded to the country to which the member's family moves. Each line of data shall be coded separately if more than one country is involved. For example, if \$100 was paid in per diem, \$80 of which was earned in The Philippines, this portion of the payment, i.e., the total per diem (\$100) shall be country-coded "RP." If, on the same voucher, \$120 was paid for dislocation and mileage allowance and the individual's family moved to the United States, that portion of the payment would be country-coded "US." Payments for TDY or temporary additional duty travel, including per diem and mileage allowances, shall be identified to the country in which the greater part of the allowances was earned.	212
Travel payments to U.S. military and civilian personnel stationed in the United States	TDY or temporary additional duty performed aboard ship shall be identified to the United States. Payments for TDY or temporary additional duty travel in a foreign country performed by personnel assigned aboard ship shall be coded to the country in which the greater part of the allowances was earned or expenses incurred. When TDY or temporary additional duty is performed in several countries and it is not feasible to identify the travel expenses and per diem to each country, the payment shall be identified to the country in which the greatest part of the allowances was earned. When a mileage allowance in lieu of travel is paid to a member upon reenlistment in a foreign country, the voucher shall be country-coded with the code of the country in which the member is stationed. Travel advance payments for PCS and TDY travel and temporary additional duty travel shall be coded to the country in which the greater part of the allowances shall be earned or expenses incurred. This is applicable to travel advance payments on the Travel Voucher (DD Form 1351) and Travel Voucher or Subvoucher (DD Forms 1351-2) and cash collection vouchers accounting for travel advance overpayments.	213
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
TRANSPORTATION		
Transportation payments to foreign carriers	Use this code to identify payments to foreign carriers for transportation of individuals, hire or rental of transportation equipment (cars or buses), and transportation of household goods and materials, including that furnished on U.S. Government bills of lading, travel requests, and similar documents. Payments under this code shall be identified to the country of residence of the transportation company. This code shall not be used to identify Military Sealift Command payments to foreign carriers under time or voyage charter contracts (see code 492) or freight charges that are billed as a part of a material invoice. Payments to a U.S. carrier shall be country-coded "US" except when paid in local foreign currency.	222
RENTS, COMMUNICATIONS, AND UTILITY SERVICES		
	The following codes shall be used to identify rents (charges for possession and use of land and structures owned by another), communications (charges for transmission of messages; e.g., telephone, teletype, marine cable, or telegraph) and utility services (e.g., heat, water, gas, or electricity) acquired by the Department of the Navy abroad from a foreign or U.S. contractor.	
	Material and Equipment (U.S. End Products) Procured by the Contractor From the United States:	
Foreign contractor		241
U.S. contractor		245
	U.S. Services Procured by the Contractor From the United States:	
Foreign contractor		241
U.S. contractor (includes profit and overhead returned to the United States)		246
	Material, Equipment, or Services Procured Outside the United States (No Part of Which Is a U.S. End Product or Service):	
Foreign contractor (including profit and overhead)		243
U.S. contractor		247
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
	Transportation Procured by the Contractor on U.S. Flag Carriers	
Foreign contractor		244
U.S. contractor		248
	Examples illustrating "Returns to U.S." codes appear under Maintenance of Equipment and Related Components codes.	
INVESTMENTS AND LOANS		
Investments and loans	Use this code to identify all payments to foreign residents relating to investments and loans. Investments include the purchase of stocks, bonds, notes, and similar transactions. Loans comprise those made to foreign governments, corporations, associations, and individuals. Identify investments to the country in which the investment is made and loans to the country of residence of the recipient of the loan.	330
GRANTS TO FOREIGN ENTITIES		
Grants to foreign entities	Use this code to identify all payments made under grants to foreign countries, corporations, associations, international organizations, or other foreign entities. Identify all payments under this expenditure category code to the country of residence of the recipient of the grant.	410
CLAIMS AND INDEMNITIES		
Military and civilian personnel claims charged to the appropriation 97-0102, Claims, Defense	Use this code to identify all payments under 97-0102 to U.S. military and civilian personnel resulting from claims for damage to or loss of personal property while performing the official business of the Department of the Navy. Identify all payments made under this code to the country in which the payee resides.	420
Other claims charged to 97-0102	Use this code to identify payments under 97-0102 for all claims other than U.S. personnel claims in code 420. Examples of "other" claims are: various and sundry tort claims (e.g., personal injury or death), admiralty claims (e.g., ship collisions or damage to piers or docks) and all other miscellaneous claims (e.g., postal claims, compromise settlements or crashes of military aircraft). Identify all payments under this code to the country of residence of the payee.	421
Claims paid from other appropriations	Use this code to identify payments from appropriations other than 97-0102. Identify all payments under this code to the country of residence of the payee.	422
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
INTEREST AND DIVIDENDS		
Interest and dividends	This code includes compensation to creditors for the use of moneys loaned, deposited, overpaid, or otherwise made available. It includes interest payments under lease-purchase contracts for construction of buildings. It also includes interest on housing and interest on Uniformed Service Deposit Fund Accounts when paid. Identify transactions reported under this code to the country of residence of the payee.	430
REFUNDS		
Refunds	Use this code to identify refunds of the whole or part of amounts previously received by the United States. Included are refunds of fines, penalties, forfeitures, duties, premiums, and emergency withdrawal by member from his or her Uniformed Service Deposit Fund Account, and other refunds such as those made on account of adjustments or errors in computation. Identify refunds to the country of residence of the recipient of the refund. In the case of emergency withdrawals from Uniformed Service Deposit Fund Accounts, identify to the United States, if it can be assumed that the funds withdrawn are returned to the United States.	440
MAINTENANCE OF EQUIPMENT		
	The following codes shall be used to identify all payments for services furnished under contracts, purchase orders, delivery orders, and other authorizations for the maintenance of equipment and related components when such services are acquired by the Department of the Navy abroad from a foreign or U.S. contractor. Supplies and materials furnished by the contractor in connection with such services are included in these codes. Exclude payments for services performed in connection with initial installations of equipment. Payments for contractual services performed abroad shall be identified to the country in which such services are performed regardless of the country to which the check was mailed.	
	Material and Equipment (U.S. End Products) Procured by the Contractor From the United States:	
Foreign contractor		450
U.S. contractor		460
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES (CONT'D)		
TITLE	DESCRIPTION	CODE
	U.S. Services Procured by the Contractor From the United States:	
Foreign contractor		451
U.S. contractor (includes profit and overhead returned to the United States)		462
	Material, Equipment, or Services Procured Outside the United States (No Part of Which Is U.S. End Products or Services):	
Foreign contractor (including profit and overhead)		452
U.S. contractor		464
	Transportation Procured by the Contractor on U.S. Flag Carriers:	
Foreign contractor		453
U.S. contractor		470
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
REAL PROPERTY MAINTENANCE, REPAIR, AND MINOR CONSTRUCTION		
	The following codes shall be used to identify all payments for services furnished under contracts, purchase orders, delivery orders, and other authorizations for real property maintenance, repair, and minor construction when such services are acquired by the Department of the Navy abroad from a foreign or U.S. contractor. Supplies and materials furnished by the contractor in connection with such services are included in these codes. Payments for contractual services performed abroad shall be identified to the country in which such services are performed regardless of the country to which the check was mailed. "Maintenance" refers to the recurrent, day-to-day periodic, or scheduled work required to preserve or restore a real property facility to such condition that it may be effectively utilized for its designated purpose. It includes work undertaken to prevent damage to a facility which otherwise would be more costly to restore. "Repair" is the restoration of a real property facility to such condition that it may be effectively utilized for its designated purposes by overhaul, reprocessing, or replacement of constituent parts or materials which have deteriorated by action of the elements or wear and tear in use and which have not been corrected through maintenance. "Minor construction" includes those urgently required projects having a funded cost of \$200,000 or less which involve the acquisition, construction, conversion, extension, and installation of permanent or temporary facilities. Do not use these codes to identify payments from military construction and family housing construction appropriations.	
	Material and Equipment (U.S. End Products) Procured by the Contractor From the United States:	
Foreign contractor		472
U.S. contractor		476
	U.S. Services Procured by the Contractor From the United States:	
Foreign contractor		473
U.S. contractor (includes profit and overhead returned to the United States)		477
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
	Material, Equipment, or Services Procured Outside of the United States (No Part of Which Is U.S. End Products or Services):	
Foreign contractor (including profit and overhead)		474
U.S. contractor		478
	Transportation Procured by the Contractor on U.S. Flag Carriers:	
Foreign contractor		475
U.S. contractor		479
	Examples illustrating "Returns to the U.S." codes appear under Major Construction codes.	
ALL OTHER SERVICES		
	The following codes shall be used to identify all payments for services furnished under contracts, purchase orders, delivery orders, and other authorizations not classified elsewhere in this subparagraph when such services are acquired by the Department of the Navy abroad from a foreign or U.S. contractor. Payments for contractual services performed abroad shall be identified to the country in which such services are performed regardless of the country to which the check was mailed. Examples of "other" services are: contracts, purchase orders or delivery orders, for foreign hospital services, teaching services, foreign medical services, printing, port services, airport service charges, garbage collection, payments to foreign carriers under time or voyage charter contracts, rental of equipment (including monthly charges for reproduction machines), packing, crating and storage, or research and development. Supplies and materials furnished by the contractor in connection with such services shall be included in these codes.	
Foreign contractor		490
U.S. contractor		500
	U.S. Services Procured by the Contractor From the United States:	
	Material and Equipment (U.S. End Products Procured by the Contractor From the United States):	
Foreign contractor		491
U.S. contractor (includes profit and overhead returned to the United States)		502
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
	Material, Equipment, or Services Procured Outside the United States (No Part of Which Is U.S. End Products or Services):	
Foreign contractor (including profit and overhead)		492
U.S. contractor		504
	Transportation Procured by the Contractor on U.S. Flag Carriers:	
Foreign contractor		493
U.S. contractor		510
	Examples illustrating “Returns to the U.S.” codes appear under Maintenance of Equipment and Related Components codes.	
	MATERIALS, SUPPLIES, AND EQUIPMENT	
	Petroleum, Oil, and Lubricants (POL):	
	The following codes shall be used to identify payments of all POL procurements acquired abroad regardless of whether a U.S. or foreign contractor is involved. Defense Energy Support Center contracts, paragraph B, section III (Source of Supply/Special Terms and Conditions), shall identify the product source country. The appropriate country code of the product source country shall be recorded on the payment voucher. When a region (e.g., Caribbean or Persian Gulf) is shown rather than a country, the country code of the country shown in block 9 of the Tanker/Barge-Material Inspection and Receiving Report (DD Form 250-1) shall be recorded on the payment voucher. When the product source is United States and the POL is consigned directly to the Navy abroad, the country code “US” shall be recorded on the payment voucher. When the product source is United States and the POL is not consigned directly to the Navy abroad, the payment voucher shall be coded to the country where it is delivered. In such transactions, the amount of the POL product(s) and the transportation charges associated with delivery on a U.S. flag carrier shall be coded to reflect “U.S. End products” (code 515) and “transportation on U.S. flag carriers” (code 518). Code 517 shall apply whenever a foreign country code is recorded. If the product source cannot be determined in accordance with the foregoing, the payment voucher shall be coded to the country in which the POL was received by the Navy. Petroleum services, other than ocean transportation, shall be identified to the country in which the service is performed.	
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
POL (U.S. end products) procured by the contractor from the United States		515
U.S. services procured by the contractor from the United States (includes profit and overhead returned to the United States by U.S. contractors)		516
U.S. services procured by the contractor from the United States (includes profit and overhead returned to the United States by U.S. contractors)		516
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
Transportation procured by the contractor on U.S. flag carriers		518
SUBSISTENCE		
	The following codes shall be used to identify all payments for subsistence items acquired by the Department of the Navy abroad regardless of whether a U.S. or a foreign contractor is involved. These codes shall be used for all subsistence procurements for ships, commissary, and the general mess. Payments to foreign contractors shall be identified to the country of residence of the payee. Do not use this code to identify payments to exchanges or commissaries; such payments shall be identified to the United States and no expenditure category code shall be used.	
Subsistence (U.S. end products procured by the contractor from the United States)		532
U.S. services procured by the contractor from the United States (includes profit and overhead returned to the United States by U.S. contractors)		533
Subsistence procured outside the United States (no part of which is U.S. end products or services)		534
Transportation procured by the contractor on U.S. flag carriers		[No Code]
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
FOREIGN PROCUREMENTS FOR RESALE BY SHIP'S STORES AFLOAT		
	The following code shall be used to identify foreign procurements of merchandise for resale by ship's stores afloat. It applies only to ships deployed in foreign waters, i.e., ships that have visited or will visit a foreign port during a tour of duty. Use this code to identify all payments to a foreign vendor for merchandise purchased for resale in a ship's store, including payments made by shore-based disbursing offices on behalf of ship's stores afloat. Identify payments under this code to the country of residence of the payee. Do not use this code to identify purchases from shore-based Military Exchanges; such purchases shall be identified to the United States and an expenditure category code shall not be used.	
Merchandise purchased for resale outside the United States for ship's stores (no part of which is U.S. end products or services)		539
ALL OTHER MATERIALS, SUPPLIES, AND EQUIPMENT		
	The following codes shall be used to identify payments for all "other" materials, supplies, and equipment not classified elsewhere in this subparagraph when such articles are acquired by the Department of the Navy regardless of whether a U.S. or a foreign contractor is involved. Examples of "other" materials, supplies, and equipment are: office supplies, medical supplies, cleaning supplies, drinking water not obtained from water utility systems, furniture, machinery, armaments, or transportation equipment. Included in these codes are charges for services in connection with initial installation of equipment when performed under contract. Payments to foreign contractors shall be identified to the country of residence of the payee. Payments to U.S. contractors shall be identified to the country in which the materials, supplies, or equipment are accepted by the Department of the Navy. Each line of data shall be coded with the appropriate IBOP expenditure category code.	
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
ALL OTHER MATERIALS, SUPPLIES, AND EQUIPMENT (CONT'D)		
Other materials, supplies, and equipment (U.S. end products) procured by the contractor from the United States		546
ALL OTHER MATERIALS, SUPPLIES, AND EQUIPMENT		
	The following codes shall be used to identify payments for all “other” materials, supplies, and equipment not classified elsewhere in this subparagraph when such articles are acquired by the Department of the Navy regardless of whether a U.S. or a foreign contractor is involved. Examples of “other” materials, supplies, and equipment are: office supplies, medical supplies, cleaning supplies, drinking water not obtained from water utility systems, furniture, machinery, armaments, or transportation equipment. Included in these codes are charges for services in connection with initial installation of equipment when performed under contract. Payments to foreign contractors shall be identified to the country of residence of the payee. Payments to U.S. contractors shall be identified to the country in which the materials, supplies, or equipment are accepted by the Department of the Navy. Each line of data shall be coded with the appropriate IBOP expenditure category code.	
Other materials, supplies, and equipment (U.S. end products) procured by the contractor from the United States		546
U.S. services procured by the contractor from the United States (includes profit and overhead returned to the United States by U.S. contractors)		547
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
Other materials, supplies, and equipment procured outside the United States (no part of which is U.S. end products or services)		548
Transportation procured by the contractor on U.S. flag carriers		549
MAJOR CONSTRUCTION		
	The following codes shall be used to identify all payments to U.S. or foreign contractors for major construction (e.g., military construction and family housing construction appropriations) performed abroad. Payments for construction performed abroad shall be identified to the country in which the construction is performed regardless of the country to which the check was mailed.	
	Material and Equipment (U.S. end products) Procured by the Contractor From the United States	
Foreign contractor		610
U.S. contractor		620
	U.S. Services Procured by the Contractor From the United States:	
Foreign contractor		611
U.S. contractor (includes profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses including that portion of the salaries of contractor personnel that is remitted to or retained in the United States)		622
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF EXPENDITURE CATEGORY CODES		
TITLE	DESCRIPTION	CODE
	Material, Equipment, or Services Procured Outside the United States (No Part of Which Is U.S. End Products or Services):	
Foreign contractor (including profit and overhead)		612
U.S. contractor		624
	Transportation Procured by the Contractor on U.S. Flag Carriers:	
Foreign contractor		613
U.S. contractor		630
Figure 13-B-1 (Cont'd)		

LIST AND DESCRIPTION OF COLLECTION SOURCE CODES		
TITLE	DESCRIPTION	CODE
COLLECTIONS FROM U.S. PERSONNEL		
Commissary store sales to individuals		10
	Use this code to identify all collections made from U.S. personnel resulting from sales in commissary stores located abroad. Includes cash sales deposited by the commissary officer with the disbursing officer. Identify collections reported under this code to the country in which the commissary store is located. Do not include under this code troop issues and sales made to nonappropriated fund activities or to other agencies or activities of the U.S. Government.	
Other receipts from U.S. personnel		20
	Use this code to identify all other receipts from U.S. personnel. Includes cash sales deposited by the food service officer, clothing sales store officer, etc., with the disbursing officer. Examples of "other" receipts are: laundry, dry-cleaning, cash sales of meals to individuals and dependents, clothing store cash sales, cash sales of gasoline coupons, family housing management fund receipts and cash deposits to the Uniformed Service Deposit Fund Account. Identify collections reported under this code to the country in which collected. Collections from personnel aboard a U.S. ship homeported in a foreign country shall be coded to the country in which the ship is homeported.	
Figure 13-B-2		

LIST AND DESCRIPTION OF COLLECTION SOURCE CODES		
TITLE	DESCRIPTION	CODE
COLLECTIONS FROM OTHER THAN U.S. PERSONNEL		
Collections from sales of surplus, scrap, and salvage material and from sales of personal property for replacement		34
	Use this code to identify all collections from the sales of surplus, scrap, and salvage material and from sales of personal property for replacement when such collections are made from foreign residents. Identify collections under this code to the country of residence of the remitter.	
Collections of interest		35
	Use this code to identify all collections of interest by the Department of the Navy from foreign residents. Identify collections of interest to the country of residence of the remitter.	
Collections for loans and leases of aircraft and vessels		36
	Use this code to identify all collections made pursuant to agreements with foreign governments for loans and leases of aircraft and vessels. Identify such collections to the country to which the loan or lease was made.	
Collections from sales of other material		37
	Use this code to identify all collections from sales of "other" material by the Department of the Navy. This code includes all collections from other than U.S. personnel for sales of material (e.g., stock fund) that cannot specifically be identified to any of the other IBOP collection source codes. Includes cash sales of meals to foreign nationals when authorized. Identify such collections to the country in which collected.	
Figure 13-B-2 (Cont'd)		

LIST AND DESCRIPTION OF COLLECTION SOURCE CODES		
TITLE	DESCRIPTION	CODE
Collections from sale of services		38
	Use this code to identify all collections for sales of services to foreign residents. Examples of sale of services include: collections of rent for leased property, equipment, and use of facilities; collections for medical services for other than U.S. personnel; collections for use of utility services (e.g., heat, electricity and water). Identify such collections to the country in which collected.	
Collections for transportation		39
	Use this code to identify all collections for transportation services furnished by the Department of the Navy to foreign residents. Identify such collections to the country of residence of the remitter.	
U.S. CIVILIAN PAYROLL DEDUCTIONS (IDENTIFIED BY APPROPRIATION CHARGED ON THE PAYROLL)		
	The following codes shall be used to identify U.S. civilian payroll deductions when a foreign country code has been applied to the original payroll document. These codes identify the appropriation from which the civilian payroll was prepared. Deductions reported under these codes shall be identified to the same country as the related disbursement voucher, i.e., if the Labor Roll/Material Charges and Credits (NAVCOMPT Form 2051) or Payroll for Personal Services-Payroll Certification and Summary (NAVCOMPT Form 1128) (short form) was coded "SP" (Spain), Voucher for Disbursement and/or Collection (NAVCOMPT Form 2277) shall also be country-coded "SP".	
Operation and Maintenance		64
Military Construction		65
Military Family Housing (Construction)		66
Research, Development, Test and Evaluation		67
Figure 13-B-2 (Cont'd)		

LIST AND DESCRIPTION OF COLLECTION SOURCE CODES		
TITLE	DESCRIPTION	CODE
Military Assistance:		
Offshore procurement		70
Supply operations		71
Maintenance of equipment		72
Training		73
Research, development, test and evaluation		74
Construction		75
Special activities		76
Administration		77
Major procurement appropriations		80
All other appropriations and funds		81
Payroll deductions applicable to U.S. civilian personnel of Army or Air Force		84
<p>Figure 13-B-2 (Cont'd)</p>		

EXAMPLE

Returns to the U.S. Codes

Contracts for Services Performed Abroad

A vendor in the Republic of Korea, in fulfilling his contract with a DoD Component, provided end product(s) manufactured in the United States. The amount that the vendor remitted to the United States for the end product(s) represented 30 percent of his invoice. Transportation of the end product, which was on a U.S. carrier, represented 5 percent of his invoice. The balance of the invoice was divided between 20 percent profit and overhead and 45 percent indigenous labor and supplies. Assuming that the expenditure category in this instance was “contract maintenance of equipment and related components” and the invoice totaled \$30,000, the correct IBOP coding on the voucher would be:

For a foreign contractor:

KS 450 -	\$ 9,000	(30 percent of invoice-U.S. manufactured end product(s)).
KS 452 -	19,500	(65 percent of invoice-profit and overhead, indigenous labor, and supplies).
KS 453 -	1,500	(05 percent of invoice-transportation on U.S. carrier).

For a U.S. contractor:

KS 460 -	9,000	(30 percent of invoice-U.S. manufactured end product(s)).
KS 462 -	6,000	(20 percent of invoice-profit and overhead and services returned to the United States).
RP 464 -	\$13,500	(45 percent of invoice-indigenous labor and supplies).
RP 470 -	1,500	(05 percent of invoice-transportation on U.S. carriers).

NOTE: When a U.S. contractor performs a construction or service contract overseas, it can generally be assumed that, as a minimum, profit and overhead expenses are returned to the United States.

EXAMPLE

Returns to the U.S. Codes

Procurement of Materials, Supplies, and Equipment

A vendor in Japan, in fulfilling his contract with a DoD Component, delivers an end product manufactured in the United States that represents 80 percent of his invoice. Transportation of the end product, which was on a U.S. carrier, represented 5 percent of his invoice. Assuming that the expenditure category in this instance is “all other materials, supplies, and equipment” and the invoice totaled \$1,000, the correct IBOP coding on the voucher would be:

JA 546 - \$800 (80 percent of invoice-U.S. manufactured end product).

JA 548 - 150 (15 percent of invoice-profit and overhead of foreign contractor).

JA 549 - 50 (05 percent of invoice-transportation on U.S. carrier).

EXAMPLE

Returns to the U.S. Codes

Construction Contracts Performed Abroad

A vendor in Thailand, in fulfilling his contract with a DoD Component, provided an end product manufactured in the United States. The amount the vendor remitted to the United States for the end product(s) represented 60 percent of his invoice. Transportation of the end product(s), which was on a U.S. carrier, represented 5 percent of his invoice. The balance of the invoice was divided between 15 percent profit and overhead and 20 percent indigenous labor and materiel. Assuming that the expenditure category code in this instance was “major construction” and the invoice totaled \$100,000, the correct IBOP coding on the voucher would be:

For a foreign contractor:

TH 610 - \$60,000 (60 percent of invoice-U.S. manufactured end product(s)).
TH 612 - 35,000 (35 percent of invoice-profit and overhead, indigenous labor,
and materiel).
TH 613 - 5,000 (05 percent of invoice-transportation on U.S. carrier).

For a U.S. contractor:

TH 620 - \$60,000 (60 percent of invoice-U.S. manufactured end product(s)).
TH 622 - 15,000 (15 percent of invoice-profit and overhead returned to the United States).
TH 624 - 20,000 (20 percent of invoice-indigenous labor and materiel).
TH 630 - 5,000 (05 percent of invoice-transportation on U.S. carrier).

Note: When a U.S. contractor performs a construction or service contract overseas, it generally can be assumed that, as a minimum, profit and overhead expenses are returned to the United States.